

LOCAL EDUCATION AGENCY PLAN
FOR THE INDIVIDUALS
WITH DISABILITIES
EDUCATION ACT
PART B

INSTRUCTIONS FOR
FISCAL YEAR 2015

NOTE: DO NOT SUBMIT THESE INSTRUCTIONS WITH YOUR PLAN

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LOCAL EDUCATION AGENCY PLAN – ASSURANCES

INTRODUCTION:

These instructions are provided to guide you in the completion of the FY-2015 Local Education Agency Plan (LEAP) application. The LEAP is the annual application for federal IDEA-B funds. The assurances must be received by the Vermont Agency of Education in substantially approvable form before any of the IDEA-B grant applications are considered complete.

The following subsections will provide a general overview of purpose and requirements. Specific instructions pertaining to the budget sections are provided after the general overview.

ASSURANCES – PAGES 3–5:

The local education agency eligibility requirements for IDEA Part B funding are established in Section 613 of the Individuals with Disabilities Education Act. These requirements include the assurances which are contained on pages 3-5 of this application as well as those contained in the Local Agency Plan for the Individuals with Disabilities Education Act – Part B, Part I which was filed by the supervisory union for FY-1995 through FY-1999.

The supervisory union or school district's name must be inserted on the cover page and page 3. One of the two boxes on page 5 needs to be checked for the supervisory union. This option to choose "elects" only applies to years in which the supervisory union's allocation is increasing over the prior year's allocation. The other requirement for choosing the "elect" option is that the supervisory union as a whole will be spending less funds for special education for FY-2015 than were spent for FY-2014. If the supervisory union meets that requirement and is interested in reviewing this option, please review the other requirements under this option on the Vermont Agency of Education's web site.

On the bottom of page 5, the typed name and title of the superintendent who has authority to make all assurances listed on the three pages on behalf of the school board is entered. Then the form must be signed and dated by the superintendent. The form with the original signature must be submitted to the Agency. Signature stamps are not allowed on these documents.

USE OF IDEA PART B FUNDS – PAGES 6:

This section provides information on requirements relating to the use of IDEA-B funds. The section on Excess Cost is a general assurance as the calculation must be done later in the year based on FY-2014 cost information and FY-2015 child count. The supervisory union should check the actual calculation for FY-2014 to be sure there is no reason to believe that the supervisory union will be unable to meet the requirement for FY-2015. There is also a section on General Requirements and Proportionate Share Funding Requirement relating to funds that must be reserved for providing services to parentally placed students eligible for special education. The Vermont Agency of Education will do the actual calculation for supervisory unions on the calculation of amount based on the verified December 1, 2012 child count.

PARTICIPATING DISTRICTS – PAGES 7 & 8:

Please complete this page using the first block for the supervisory union and one block for each of its member school districts that are agreeing to the LEAP. Use additional pages as needed.

NON-PARTICIPATING DISTRICTS – PAGE 9:

Please complete this page using one block for each school district that is NOT agreeing to the LEAP. This page needs to be submitted with the application even if no districts are listed.

STATEMENT OF AUTHORIZATION – PAGE 10:

Enter the name of Supervisory Union/School District and the name of the supervisory union board chairperson to show authorization by the supervisory union board. This form must be signed and dated by the supervisory union board chairperson. Please be sure to send in the form with the original signature.

INSTRUCTIONS FOR IDEA-B BASIC AND PRESCHOOL BUDGETS FOR FY-2015

The following contains information about how the IDEA-B funds can be used, when they can be used and how to complete the budget forms for FY-2015. There is also a sample completed budget in Appendix B starting on page 22.

CONDITIONS FOR THE EXPENDITURE OF IDEA-B FUNDS:

- a. **IDEA-B BASIC funds may be used only for allowable costs under IDEA-B for eligible children with disabilities ages 3 through 21 and to perform child find activities for children birth through age 21. The allowable costs consist primarily of the specialized instruction and related services required by students' IEPs. There is additional information on allowable expenditures in Appendix A starting on page 14. The one exception to funds having to be used for special education is that up to 15% of the annual allocation can be used for coordinated early intervening services for K-12 non-special education students. This is at the discretion of the supervisory union and carries with it additional reporting requirements. All items in the detailed budget relating to coordinated early intervening services must clearly state that the item is for coordinated early intervening services (CEIS) in the description and be highlighted in blue.**

IDEA-B Pre-School funds may be used only for allowable costs under IDEA-B for eligible children ages 3 through 5, and for child find activities to identify children ages 3 through 5 who could be eligible for special education services. These funds may be used for EEE staff costs for transition planning and IEP development for children moving from Part C to Part B prior to the child's 3rd birthday in order for IEP services to start by age 3.

- b. The Supervisory Union/District may include cost for **fiscal and personnel administration** as either a direct cost or as an indirect cost. Please read the information in Appendix A, page 16 concerning the requirements for each method of charging before deciding which option to use if the supervisory union wishes to use a portion of these funds to cover costs for fiscal and personnel administration.
- c. Grant funds can only be used to pay for **costs that relate to the grant period** as stated in the grant award document. The beginning date of the grant period is established as the date that all components of the completed application are received by the Vermont Agency of Education in substantially approvable form. The only exception is that the date cannot be before July 1st of the grant year. If the starting date of the grant is a later date such as September 1st, then costs relating to services provided from July 1st through August 31st could not be charged to the grant. **Also the costs added to the grant budget by an amendment can only start on the day that the amendment request is received by the Vermont Agency of Education in substantially approvable form.**
- d. If grant funds budgeted for **purchase of equipment**, the equipment needs prior approval from the Vermont Agency of Education. The information needed for approval is a list of the equipment with quantity and purchase price that will be purchased for

each school building. **OMB Circular A-87 defines equipment as having a useful life of more than one year and an acquisition cost exceeding the level set by the governmental unit to be considered equipment** (as long as the level is \$5,000 or less). Equipment that is purchased with IDEA-B funds needs to be used for special education purposes. If equipment will be used for other purposes as well as for special education, then the cost of the equipment charged to these grant funds must be pro-rated with these fund only paying for the portion that relates to the special education function. The equipment purchased with grant funds needs to be specialized equipment which excludes standard classroom or office equipment. All equipment purchased with federal funds must be tracked until the equipment is disposed of.

- e. The Equipment Form must be maintained for the life of the equipment. All equipment must have an identifier posted on it stating “Purchased with IDEA-B FY-15 grant funds” and use of such equipment must be restricted to the intended purpose. The supervisory union should be prepared to prove equipment is being used for appropriate purposes during an audit. See 34 CFR §80.32(d).
- f. **The federal staff documentation is required for all salaries charged to IDEA-B grants. The documentation requirement for staff charged to IDEA-B federal funds is based on the interpretation from the Office of Special Education Programs. The type of documentation depends on whether the work being performed is charged to one federal grant or cost objective per OMB Circular A-87.**

Periodic Time Certificates can only be used by the staff member performing work that can be chargeable 100% to one Federal award and 100% of the salary and benefits are charged to that one federal grant and/or a combination of funds from that one federal grant and State/local funds. The certifications must specifically state the name of the grant as well as a brief description of the work the employee is performing. The work that the employee is performing should match the description in the grant budget item for that employee’s salary. The certifications should match the school semesters if that is the period that the same work is being performed. If an employee does not have a year-round contract, separate documentation is necessary for summer services which should include specific information on the summer duties. The certifications should be prepared and signed by the employee shortly after the end of the period covered by the certificate. Employees must sign of their own free will and not under duress.

For all other employees whose salary and benefits are charged to federal funds grant but do not meet the criteria for documenting it through Period Time Certificates, the required form of federal staff documentation is Personnel Activity Reports. This form of documentation requires that the employee reports the hours they work by cost objective and funding source by pay periods covering the portion of the year that their salary is being charged to federal funds. The Personnel Activity Reports are used by the grantee to determine the distribution of the salary and benefits to the various cost objectives/funding sources. The report is similar to a time sheet with categories shown for the various cost objectives/funding sources and must account for the total hours worked. The report needs to be signed by the employee and maintained as part of the grant accounting records. See 2 CFR Part 225, Appendix B, 8.h.

- g. If grant funds are to be used to pay for staff members who are providing specialized instruction or a related service, or a supplementary aid or service, pursuant to the child's individualized educational program, the following conditions shall apply:
1. The requirements of Vermont State Board of Education Rule 2360.3.3 Personnel Qualifications shall apply to those staff who are providing the services; and
 2. The salary and benefits for professional staff members who are not special education licensed but provide IEP services under the supervision of a licensed special educator can at most be funded under this grant at the paraprofessional level.

BUDGET PAGES:

There are three separate forms to use for the IDEA-B grant budget submissions. The forms are slightly different for two grant types: IDEA-B 619 PreSchool 4228 Grant (ages 3-5) and the IDEA-B 611 Basic 4226 Grant (ages 3-21). The first page is form A which is the Project Information Abstract or the cover sheet. Form B - the second form of the package is the budget detail form and as many pages as needed are used to list all of the budget items for the grant. The third page and final page that needs to be submitted for the application process is form C which is the Financial Summary. The forms for the IDEA-B Basic Grant are named with capital letters while those for the IDEA-B PreSchool Grant are named with the same letter – only lower case.

The instructions that follow are written for the Basic Regular 4226 grant. The only difference in the forms is that the PreSchool grant forms do not have columns for K-12 and preschool as all of the costs relate to preschool.

PROJECT INFORMATION ABSTRACT – Form A:

Complete the "Project Information Abstract" form or cover sheet with the information requested. This form needs to be submitted with each amendment request as well as with the original LEAP submission.

For 3 - Grant Type	Check the appropriate box to indicate whether the grant budget submission is the initial grant submission or a grant amendment.
For 3 - Effective Date or Beginning Date	Enter the date that all components of the application for the grant will be received at the Vermont Agency of Education in substantially approvable form but not prior to July 1st.
For 4 – Superintendent's Signature	Requires an original signature of the superintendent for each submission. Signature stamps are not acceptable. The signature must be that of the superintendent or a person designated by the supervisory union board to sign as the superintendent.

***NOTE:** The grant award will show as the beginning date the date on which all required forms are received by the Vermont Agency of Education in substantially approvable form.

No funds can be used for costs incurred prior to the beginning date of the grant. Also no costs incurred prior to the amendment date can be used for costs added by the amendment.

BUDGET DETAIL – Form B:

Page Header Enter the two digits that represent the supervisory union number on the top right hand side of the form to complete the grant award number. For example, 01 is entered for Addison Northeast.

Budget Period Indicate the budget period for the items listed below the budget header. For the initial submission, use the beginning date of the grant through June 30, 2015. For amendments, add a new budget period header after the original budget items using the effective date of the amendment. Under the new budget header, list any new budget line items or duplicates of original budget items with additional amounts for those items.

Budget Line Items

The budget items should reflect the special education, related service, special education administration or other allowed costs under IDEA-B that the supervisory union and its member school districts are choosing to cover with IDEA-B funds. In selecting budget items to use these funds for, the special education costs selected should truly be the costs of providing the special education and related services required by students' IEPs. The concept of "20% additional" used for State funding does not apply to these federal funds. If supervisory unions choose to use IDEA-B funds for non-special education services, it must be under the coordinated early intervening services option which is limited to 15% of that year's allocations for IDEA-B funds. Special education administration and activities for child find are allowable uses of grant funds.

Common costs charged to the grants and the requirement or detail needed for different types of cost:

- Salaries and benefits are allowable for the portion of time staff is performing special education, related services or special education administration and must include a description of the special education function being performed, the position title, name of staff member (or TBH for "to be hired"). All salaries charged to federal grants must be documented using either Personnel Activity Reports or Periodic Time Certifications depending on the combination of funding sources used and whether all of the work being performed by the individual could be charged to IDEA-B. See Section X of the Technical Guide for Special Education Cost Documentation for more detail.

Salary and benefits for an employee need to both be charged off to the grant in the same proportion. For example, if 10% of the employee's salary is charged to the grant then 10% of the employee benefits needs to be charged to the grant. The requirement applies to all benefits including tuition reimbursement allowed as part of the negotiated master agreement.

The staff must be appropriately licensed or credentialed to perform the identified special education service. The salary and benefits being charged to the grant funds is shown in the total column and then divided between the “K-12” and “Pre-School” columns based on how their time is expected to be divided. The staff FTE column needs to be completed for all salary line items and is calculated as the portion of their salary charged to the grant divided by the annual contract salary for the person if they worked full-time.

- Contracted services for specialized instruction, related services, and evaluations are allowable cost if required by a student’s IEP or evaluation plan. The cost of independent evaluations can be included. The description needs to indicate the type of service being provided but does not need to list the specific vendor.
- Special education tuition for a program providing specialized instruction and related services required by a student’s IEP are allowable costs. Regular education tuition is not an allowable use of these funds.
- Specialized equipment and instructional supplies required by students’ IEPs are allowed. For any large purchases, the Agency may require more specific information prior to approving the grant budget submission.
- Materials needed for specialized instruction or related services as well as for special education evaluations are allowed.
- Equipment, supplies and related office expenses for special education administration are allowable costs as long as the cost are specific for special education administration or a reasonable cost allocation process has been established. For equipment, it must be limited to specialized equipment and not general office equipment such as regular desks and chairs. For supplies, it is helpful to provide something more specific than “supplies” which can include some examples.
- Other allowable costs are listed under Appendix A.

The following types of special education costs cannot be charged to IDEA-B funds:

- Cost of contracts with Mental Health agencies cannot be charged to IDEA-B funds if the Mental Health agency will be billing Medicaid for services provided under the contract. The school district is actually paying Medicaid match in this case which must be from State or local funds – these federal funds cannot be used as Medicaid match.
- Cost of providing Infant and Toddler direct services are not allowable. It is allowable to use IDEA-B funds for EEE staff working on transitioning children from Part C to Part B which would include transition meetings with FITP staff and IEP development prior to a child’s third birthday but not for actual services prior to the 3rd birthday.

Instructions for Budget Detail columns:

- Column (1a)- Use function code describing service or purpose of the costs based on Handbook II, Revised. See enclosed function code listing or consult your business office.
- Column (1b)- Use object code describing the type of goods or services to be purchased based on Handbook II, Revised. See enclosed object code listing or consult your business office.
- Column (2) - For Coordinated Early Intervening services budget items, indicate “CEIS” in this column. For Proportionate Share budget items, indicate “PPS”. For all other items, leave this column blank.
- Column (3)- Specific description of services or goods to be bought. Specifically, for salaries, enter position title and employee's name. For equipment, detail each item over \$5,000 to be purchased. You may be asked to provide additional information on items that are unusual or costly. (You should not purchase equipment until you have received written approval which is usually in the form of the grant award from the Agency.) **For examples, see sample completed budget in Appendix B.**
- Column (4)- For salary amount (object code 100 in column (1b)), enter FTE (full-time equivalency) to be funded by IDEA-B for positions. This is the portion of a full-time salary being budgeted from grant funds. For example if \$8,000 of salary is being budgeted and the full-time salary is \$40,000, the FTE would show as .20 (8,000/40,000). **Also if a portion of an employee’s salary is being charged to the IDEA-B grant, then the same portion of that employee’s benefits (object code 200) must also be charged to the grant.**
- Column (5)- This is the total being budgeted for IDEA-B funds for the grant budget period for the FY-2014. **Do not type in this column – enter the breakdown of the costs for K-12 and PreSchool in columns (6) and (7) respectively.** This column will automatically calculate as the total of columns (6) and (7).
- Column (6)- Enter the estimated amount to be used for providing services to K-12 students for this line item.
- Column (7)- Enter the estimated amount to be used for serving pre-school students for this line item.

NOTE: Use as many Detailed Budget lines as necessary. The spreadsheet will calculate the cumulative total of columns (5), (6), (7), and the total direct costs. The indirect cost amount will be automatically calculated once the rate is entered.

Instruction for Completing Electronic Version of Budget

- The "Detailed Budget Sheet" and "Financial Summary" must be completed in the Excel Workbook. The IDEA-B grant file is e-mailed to special education directors and available on the Vermont Agency of Education web site. To complete the budget in Excel, copy the file on your C: drive.
- Open the file named *FY2015 IDEA BasicGrant.XLS*. At the bottom of your screen, there will be five tabs labeled IDEA-B Cover, IDEA-B Basic Detail, IDEA-B Basic Summary, Funds Available and Equipment Record. There is a separate excel file named *FY2015 IDEA PreSchool Grant.XLS* which contains the PreSchool grant budget forms and has similar tabs.
- In the IDEA-B Basic Detail sheet, the budget period header needs to reflect the beginning date of the grant which is the date that all components of the grant were received by the Agency in substantially approvable form. Enter the budget items which the supervisory union has decided to fund from IDEA-B Basic funds for the fiscal year. The description column will automatically wrap the text, so you will not need to position your text. You can move in the spreadsheet by using your arrow keys. Enter amounts for each budget item in the K-12 and PreSchool columns, as appropriate; the total in Column 5 will automatically be calculated. The totals for the Total, K-12 and PreSchool columns will automatically be calculated.
- **Make sure to save the completed excel file to your hard drive.** When you have finished the detailed budget and the financial summary pages, send a copy of the file as an attachment to an e-mail to cassandra.morton@state.vt.us.

FINANCIAL SUMMARY- Form C:

Open the file tab - IDEA-B Basic Summary. For the IDEA-B Basic Regular 4226 Grant and the IDEA-B PreSchool Regular 4228 Grant, there are two sections – one for proportionate share expenditures which will be under an "02" grant award and the rest which will be under an "01" grant award. Add the amounts from the Detailed budget into the function code/object code grid. For the IDEA-B Basic Regular 4226 Grant, be sure to include all CEIS items on the line with that description. Check that the total from this page matches the total on the Detailed Budget.

One way to complete this sheet is to insert a blank worksheet and copy the detailed budget item into it. Next sort the budget items by columns C, A, B. Use this to calculate the amounts for Proportionate Share, CEIS and the rest of the budget items by function code to calculate the amounts that go in the grid.

FUNDS AVAILABLE SPREADSHEET:

This sheet has been added to the electronic version of the IDEA-B Basic and PreSchool budget files. This will help check that the total for each grant is equal to or less than the amount of funds available for that category for FY-2014.

EQUIPMENT FORM – Form D:

The form is to be completed for the project if any one piece of equipment was purchased with the IDEA-B funds that exceeds the amount established by the supervisory union as constituting equipment (can not be less than \$5,000). This form is to be kept by the Local Education Agency. The detail of equipment budgeted is shown on the Detailed Budget Sheet. The sheet is used to track equipment purchased with federal funds. See the form for more details.

ANNUAL ALLOCATION:

The estimated FY-2015 Allocations for IDEA-B BASIC Flow Through (3-21) and PreSchool (3-5) for the regular allocation are being provided. These allocations are based on the estimated Vermont allocations received from the Federal government and the updated student counts. The final allocations will be provided once the federal grant award documents are received from the federal government for FY-2014.

The allocations for IDEA-B BASIC 611 (3-21) and PreSchool 619 (3-5) Flow Through are calculated by a three-part formula - it is no longer based solely on the prior year's special education child count. The first part of the formula provides the amount, which would have been generated for the base year if 75% of the Vermont federal award had been distributed, allocated on the base year's child count. For the IDEA-B BASIC (3-21) grant, the base year is FY-2000 and the December 1, 1998 child count is used. For the PreSchool (3-5) grant, the base year is FY-98 and the December 1, 1996 child count.

After the base year amounts are allocated to supervisory unions, the balance of funds available for IDEA-B BASIC 611 (3-21) and PreSchool 619 (3-5) Flow Through is distributed based on population and poverty. The formula requires 85% of the balance to be distributed based on the relative number of children in each supervisory union and the remaining 15% on the relative number of children living in poverty. The Agency uses the number of K-12 students counted as Average Daily Membership (ADM) for the prior year for the number of children. For the number of children living in poverty, the Agency uses the count of 6 through 17 year olds residing in families receiving food stamps. The poverty count used is the average of the July 1st and December 1st counts for the prior year.

FUNDS AVAILABLE:

The FY-2015 grant budgets must include all funds that the supervisory union plans to spend from that funding source during the period of July 1, 2014 (or the date the application for the supervisory union is received in substantially approvable form, if that date is after July 1, 2014) through June 30, 2015. The amount requested in the grant budget establishes the maximum amount of these funds that can be spent during the fiscal year. The funds budgeted can include new allocations for FY-2015 as well as carryover funds from Fiscal Year 2014.

CARRYOVER PROVISION:

In general, grant funds should be budgeted and spent in the year for which they are generated. The allocation is an annual allocation and it is difficult to contend that the federal government under funds IDEA-B if funds are not spent in the year that they become available. However, the requirement is that IDEA-B funds must be obligated within 27 months of when they become available or they will be lost. For example, funds generated for FY-2015 can be spent from July 1, 2014 through September 30, 2016 (assuming the supervisory union has an approved grant award). Also the funds from the FY-2014 allocation, unexpended as of June 30, 2014, are available to use in FY-2015. In addition, if there are funds from the FY-2013 allocation unexpended as of June 30, 2014, they can be included in the FY-2015 grant but that amount must be spent or obligated by September 30, 2014. If these funds are obligated as of September 30, 2014, the obligation must be cleared within 60 days or the funds must be returned. (An AOE 2.0 is not considered a final report until all the obligations have been liquidated.)

In the budget detail, there is no need to identify the amount of the carryover funds or specific budget items relating to carryover funds. The budget should show how you plan to spend the funds available regardless of the year in which the funds were generated. The Agency assumes that the supervisory union is always using its oldest funds for that grant category first.

The carryover provision for proportionate share funds took effect on October 13, 2006 relating to carryover provision for the proportionate share for parentally-placed private school children with disabilities. The requirement is that any proportionate share funds not spent during the initial year that funds were allocated must be set aside for that purpose for the following 12 months. So if a supervisory union's proportionate share for its FY-2014 allocation was \$5,500 and only \$4,500 of those funds was spent during the period of the FY-2014 grant, then the remaining allocation of \$1,000 will be carried over and budgeted for services for parentally-placed private school children with disabilities during FY-2015. The carryover amount is in addition to the new amount designated as the proportionate share from the FY-2015 allocation. In order to eliminate the separate report for proportionate share funds and to ensure that the proportionate share funds unspent are retained for the new fiscal year, there is a separate grant award number for the proportionate share funds starting in FY-2010 ending in "02" instead of "01" which is used for the bulk of the grant funds.

FUND ADVANCES AND REPORTING EXPENDITURES:

The grant is officially approved when the grant agreement has been signed by the superintendent and the appropriate Vermont Agency of Education manager. The initial advance is automatically paid once the grant has been approved. Additional funds are advanced based on the AOE 2.0 forms that are submitted for each individual grant.

There are separate grant awards for the IDEA-B Basic and IDEA-B PreSchool grants for FY-2015. Funds are advanced separately on each award and need to be tracked separately by the supervisory union. The following show the potential grant awards for IDEA-B Basic (ages 3-21) grant funds for FY-2015:

Grant Award Number	Description of Grant
4226-XXXX-15-01	IDEA-B Basic Grant excluding proportionate share funds from regular funds
4226-XXXX-15-02	IDEA-B Basic Grant for proportionate share funds from regular funds

The following shows the potential grant awards for IDEA-B PreSchool (ages 3-5) grant funds for FY-2015:

Grant Award Number	Description of Grant
4228-XXXX-15-01	IDEA-B PreSchool Grant excluding proportionate share funds from regular funds
4228-XXXX-15-02	IDEA-B PreSchool Grant for proportionate share funds from regular funds

Accounting and Reporting Requirements

All expenditures charged to the IDEA-B grant must be tracked in the supervisory union or member school districts' accounting records with either a fund account or project ID. All reporting of expenditures on the grant must be based on the accounting records of what was spent by the supervisory union and its member school districts. The supervisory union cannot report funds advanced to member districts as expenditures until the member district has spent the funds. All grant expenditures need to be for approved budget items.

Each grant award must be reported on separate AOE 2.0 forms for FY-2014 as well as on a separate line on the final FY-2015 Special Education Expenditure Report. On the Special Education Expenditure Report, all expenditures of proportionate share funds must be reported in the "Ineligible" column. All expenditures for Coordinated Early Intervening Services from IDEA-B Basic funds need to be reported under the ineligible column on the "Non-Special Education Services" line of the report as well as a separate report on the students receiving Coordinated Early Intervening Services funded with IDEA-B funds. There may be other costs such as building related costs that are charged to IDEA-B Basic grants that need to be reported under the ineligible column as they are not eligible for State funding formula. All indirect costs are also reported in the ineligible column of the Special Education Expenditure Report. Please refer to the State Board rules concerning eligible K-12 cost to determine if any of the IDEA-B expenditures are considered eligible or non-eligible.

PROCEDURES TO CLOSE OUT FY-2014 GRANTS:

To close the IDEA-B Basic (4226) and PreSchool (4228) grants for FY-2014, the Vermont Agency of Education will make sure that the amount shown as spent for each individual grant reported on the AOE 2.0 matches the amount shown as spent on the FY-2014 Special Education Expenditure Report. The grant cannot be closed until the total expenditures reported meet the above requirement and all obligations have been cleared. Advances on the FY-2015 grants will be held from January 2015 forward until all FY-2014 grants reporting requirements have been satisfactorily completed. Also if the supervisory union needs to change the amount it reported as IDEA-B funds expended under a specific grant in the future, the supervisory union needs to amend both the Special Education Expenditure Report for the year as well as the final AOE 2.0 for the specific grant.

Also, prior to closing the FY-2014 grants, the Agency will test whether each supervisory union has met the non-supplanting test. For supervisory unions that do not pass the non-supplanting test, the Agency will notify the supervisory union of the amount by which it failed the non-supplanting test. The supervisory union will be required to submit written documentation that accounts for the decrease in special education cost attributable to allowable exceptions under § 300.204. The grant will not be closed until an allowable exception has been granted by the Agency or the supervisory union has passed the test.

For all supervisory unions that budgeted IDEA-B grant funds for Coordinated Early Intervening Services (CEIS) for FY-2014 or for FY-2013 or FY-2012, the grant will not be closed until the supervisory union has submitted a report satisfying the coordinated early intervening services reporting requirements. A reporting form and tracking sheets are being sent to those supervisory unions which budgeted funds for CEIS during any of the three grant years covered by the reporting requirement.

Also the Agency will review the “Supplement to IDEA-B Local Education Agency Plan for FY-2014” submitted to ensure that the form has been received and is appropriately completed. Any issues will need to be resolved with this component of the FY-2014 grant prior to the Agency being able to approve the FY-2015 grants or close out the FY-2014 grants.

APPENDIX A

The budget form requires that the supervisory union list how they intend to spend the grant funds for the fiscal year. The funds are to be used to partially fund the requirements of IDEA-B. The money may be spent on allowable costs listed below. Unless otherwise specified, all Rules are from the Vermont State Board of Education Manual of Rules and Practices, Special Education Regulations.

ALLOWABLE COSTS FOR IDEA-B GRANT FUNDS:

Assistive technology:

- (1) Each school district must ensure that assistive technology devices or assistive technology services, or both, as those terms are defined in Rule 2360.3, are made available to a child with a disability if required as a part of the child's--
 - (i) Special education services under Rule 2360.3.1;
 - (ii) Related services under Rule 2360.3.2; or
 - (iii) Supplementary aids and services under Rule 2360.3(a)(29).
- (2) On a case-by-case basis, the use of school-purchased assistive technology devices in a child's home or in other settings is required if the child's IEP Team determines that the child needs access to those devices in order to receive FAPE.

The services provided to the student under this section might be consultation regarding appropriate devices, training to the child and child's family, if appropriate, on use of device, purchase or rental cost for a device or maintenance or up-keep costs for a device.

Extended School Year Services:

Each school district must ensure that Extended School Year Services (ESY) are available as necessary to provide FAPE consistent with Rule 2363.8(h) and at no cost to the parents of the child. For ESY services to be considered as special education or related services, the student's IEP would list the specific service and include the period for the summer services on the cover page of the IEP. The budget items are usually salary and benefits for staff and the budget items need to provide the required detail on staff. The staff employed to provide ESY services need to be appropriately licensed for the services they are performing. The grant can only cover summer services from July 1st or the date the completed application is received, if that is later. If the supervisory union is planning to include the summer services in their IDEA-B budget, the budget needs to be submitted prior to the summer services being delivered. As budget items cannot be increased after the service has been delivered, it is important to ensure that the amount budgeted for summer services is sufficient to cover all of the costs.

Non-academic services (Rule 2360.2(i)):

- (1) Each school district shall take steps, including the provision of supplementary aids and services determined appropriate and necessary by the child's IEP team, to provide non-academic and extra-curricular services and activities in the manner necessary to afford

children with disabilities an equal opportunity for participation in those services and activities.

- (2) Non-academic and extracurricular services and activities may include counseling services, athletics, transportation, health services, recreational activities, special interest groups or clubs sponsored by the school district, referrals to agencies that provide assistance to individuals with disabilities, and employment of students, including both employment by the school district and assistance in making outside employment available.

Physical education allowed only if special physical education (Rule 2360.2(j)):

- (a) *General.* Physical education services, specifically designed, if necessary, must be made available to every child with a disability receiving a FAPE, unless the public agency enrolls children without disabilities and does not provide physical education to children without disabilities in the same grades.

Instruction in physical education means

- (1) The development of
 - (A) Physical and motor fitness;
 - (B) Fundamental motor skills and patterns; and
 - (C) Skills in aquatics, dance, and individual or group games and sports (including intramural and lifetime sports); and
 - (2) Includes special physical education, adapted physical education, movement education, and motor development.
- (b) *Regular physical education.* Each child with a disability must be afforded the opportunity to participate in the regular physical education program available to non-disabled children unless –
 - (1) The child is enrolled full time in a separate facility; or
 - (2) The child needs specially designed physical education, as prescribed in the child's IEP.
 - (c) *Special physical education.* If specially designed physical education is prescribed in a child's IEP, the public agency responsible for the education of that child must provide the services directly or make arrangements for those services to be provided through other public or private programs.
 - (d) *Education in separate facilities.* The public agency responsible for the education of a child with a disability who is enrolled in a separate facility must ensure that the child receives appropriate physical education services in compliance with this section.

Please note that special education students should participate in regular physical education when that is appropriate. The cost of regular physical education is not an allowable special education cost. If a student requires special physical education, it is listed as an IEP service and the school district needs to ensure that the staff performing the service are appropriately licensed and trained.

“Child find” activities for children birth through 21 (Rule 2360.2(l)):

This includes activities which will be used to locate, identify and evaluate children with disabilities. The supervisory union’s responsibility for “child find” includes children including wards of the state residing in the school districts of the supervisory union age birth through age 21.

The “child find” responsibility for children enrolled in independent elementary and secondary school (grades K-12) by their parents is the responsibility of the supervisory union where the private school is located.

The “child find” responsibility for children enrolled in a kindergarten through grade 12 “home study program” is the responsibility of the supervisory union where the child receives his home study program.

Routine checking of hearing aids and external components of surgically implanted medical devices (Rule 2360.2(n)):

(1) Hearing Aids

- (i) Each school district must ensure that hearing aids worn in school by children with hearing impairments, including deafness, are functioning properly.

(2) Surgically implanted devices

- (i) Each school district must ensure that the external components of surgically implanted medical devices are functioning properly.
- (ii) School districts are not responsible for the post-surgical maintenance, programming, or replacement of the medical device that has been surgically implanted or of an external component of the surgically implanted medical device.

Supplementary aids and services (Rule 2360.3):

Supplementary aids and services are aids, services and other supports that are provided in regular education classes or other education-related settings and in extracurricular and nonacademic settings, to enable children with disabilities to be educated with non-disabled children to the maximum extent appropriate in the least restrictive environment.

To the extent that the supplementary aids and services are listed in the IEP and provided by special education personnel, they can be included as an allowable cost.

Coordinated Early Intervening Services (34 CFR 300.226):

This is an allowable category for the IDEA-B Basic (3-21) grant starting with FY-2006. The maximum allowed in this grant for early intervening services is 15% of the FY-2014 allocation for the supervisory union. Coordinated early intervening services can be used for serving students in kindergarten through grade 12 who have not been identified as needing special education or related services, but who need additional academic and behavioral support to succeed in a general education environment. The emphasis should be on students in kindergarten through grade 3. The activities included under coordinated early intervening services are:

- (1) Professional development for teachers and other school staff to enable such personnel to deliver scientifically based academic instruction and behavioral interventions, including scientifically based literacy instruction, and, where appropriate, instruction on the use of adaptive and instructional software.
- (2) Providing educational and behavioral evaluations, services, and supports, including scientifically based literacy instruction.

Another requirement for use of funds for early intervening services is to track the students served by this funding and to report in future years which of the students served subsequently receive special education and related services. A separate report will be required at the end of the fiscal year to report the students provided service and for the following two years, the number of those students receiving IEP services.

A proportionate share of IDEA-B Basic and Preschool Flow Through funds must be budgeted for services for eligible children placed by their parents in independent schools or home study programs (Rule 2368.1.3).

The proportionate share is calculated by dividing the number of special education eligible parentally-placed children enrolled in independent schools or home study programs by their parents by the total number of eligible children in the supervisory union. When the IDEA-B Flow Through Allocations are prepared based on the federal grant awards, the allocation sheet will include a column for both the IDEA-B Basic and PreSchool grants showing the actual proportionate share amount for the year. In addition, carryover from the proportionate share funds from the prior year's allocation must be budgeted for services to parentally-placed students.

The proportionate share establishes the pool of funds to be used to provide services to the privately placed students. Please refer to Rule 2368.1.5 to see the steps necessary for determining how the funds will be used.

The supervisory union/district must specifically identify all budget items that relate to providing services to eligible children placed by their parents. Starting with FY-2010, these funds will be awarded under a separate grant award number ending with "02" to be able to track expenditures of these funds without using a different reporting mechanism. The supervisory union/district is limited to spending the amount established as the proportionate share of the IDEA Basic and Pre-School Flow Through grants for services to this group of students. (34 CFR § 300.133) "Child find" costs cannot be counted as proportional share expenditures.

The federal definition of parentally-placed children is limited to elementary and secondary children and the terms elementary and secondary are as defined by the individual state. In Vermont, elementary is defined as kindergarten through grade six. **Therefore in Vermont, preschool children are not considered parentally placed for child count and are not eligible to be provided services from the proportionate share funding.** Proportionate share funds generated for the IDEA-B Pre-School grant are probably due to the supervisory union having one or more five year old kindergarten students on December 1st counted as parentally placed. This would result in a proportionate share in the IDEA-B Pre-School Flow

Through allocation which would need to be spent on services to elementary children who are parentally placed and under the age of six.

Implementation of the National Instructional Materials Accessibility Standard (NIMAS):

All schools shall take reasonable steps to provide instructional materials in accessible formats to blind children or other children with print disabilities who need those instructional materials at the same time as other children receive instructional materials. (34 CFR § 300.210)

Special Education Data Management Systems:

An LEA may use funds to purchase appropriate technology for recordkeeping, data collection, and related case management activities of teachers and related services personnel providing services described in the IEP of children with disabilities that is needed for the implementation of those case management activities. (34 CFR § 300.208(b))

Fiscal and personnel administration as direct costs:

The cost of fiscal and personnel administration can be a direct charge to the IDEA-B flow through grants. However, any budget item(s) to pay for salary and benefits would need to list the individual staff that were performing the administrative services relating to this grant. Also the staff members whose costs are included in the grant will need to document their time using the personnel activity reports. The reporting will need to document the amount of time spent on administration of this specific grant for each pay period during the year along with the total time worked and the amount charged to the grant must be based on the actual time documentation up to the amount budgeted.

Indirect Cost for fiscal and personnel administration:

A supervisory union/district may choose to include indirect costs in its grant budget for any year in which it has a restricted indirect cost rate approved by the Vermont Agency of Education and if fiscal and personnel administration costs are not included as direct cost in the budget. To determine the maximum amount that can be allowed as indirect costs in the grant budget, the approved restricted indirect rate is multiplied by the total allowable direct cost included in the grant budget. The allowable direct cost includes the direct program costs except for sub-grants to other than member school districts in excess of \$25,000 and the amount of individual contracts in excess of \$25,000. The following example shows the calculation of the indirect cost:

Total Direct Costs	\$100,000
Costs Excluded for Indirects	<u>-12,000</u>
Allowed Direct Costs	\$ 88,000
Indirect Cost Rate	<u>X 2.0%</u>
Indirect Costs	\$1,760

Before the grant is closed, it is necessary to recalculate the amount of earned indirect cost based on the actual allowable direct grant expenditures. The amount of earned indirect costs for the fiscal year is based on the actual grant expenditures times the approved rate for the

year; but cannot exceed the amount budgeted for indirect costs. The supervisory union must expend from the grant funds the amount of earned indirect costs for it to be reported as an expenditure. The supervisory union can either transfer the amount of earned indirect costs from the grant fund to the general fund or charge fiscal and personnel administration to the grant in the amount of the earned indirect costs.

Services benefiting non-disabled children:

IDEA Part B funds may be used “for the costs of special education and related services, and supplementary aids and services, provided in a regular class or other education-related setting to a child with a disability in accordance with the IEP of the child, even if one or more nondisabled children benefit from these services.” 34 CFR §300.208 (a) (1). There are several things to pay attention to if you use funds in this way. Most importantly, the services must be in accordance with a child’s IEP. The benefit to nondisabled students must be incidental to the primary benefit to the child on an IEP. The services might be any service included in an IEP and might take place in a variety of educational settings. The service page of the IEP would have to indicate the setting and group size. For example, it would not be allowable to do this if a child’s IEP indicated that the child was receiving 1-1 instruction.

IDEA Part B funds can not be used to provide services solely to non-special education students except under the coordinated early intervening services option. To use that option, each budget item relating to it would need to be described as being coordinated early intervening service. The total amount budgeted would need to be limited to 15% of the allocation for the year and the appropriate reporting requirements would need to be completed.

APPENDIX B – Sample IDEA-B Basic Budget

LOCAL EDUCATION AGENCY PLAN			IDEA-B Basic	4226-S0	88	-15-01/02	
DETAILED BUDGET							
Budget Period: Indicate the time period for the budget items; this would be the whole grant period for the items contained in the original budget submission. For any items added based on an amendment, the budget period can start on the date that the amendment is received by the Vermont Agency of Education in substantially approvable form.							
(1a)	(1b)	(2)	(3) Item Description	(4)	(5)	(6)	(7)
Handbook II		CEIS if CEIS or PPS if Prop. Share Budget Item	Describe the services, personnel or equipment to be paid with these grant funds. For each item, explain how the item relates to the provision of special education services or IDEA. Use the "Allowable Cost" section of the instructions as a guide. For salaries indicate the position title, employee name, or TBH (to be hired), and FTE of the salary and benefits included in this budget. For equipment expenditures, list each item individually for advance approval prior to purchase.	FTE of Staff	Total IDEA-B Cost	Estimated Breakdown of Total IDEA-B Cost	
Function Code	Object Code					Cost for K-12 Services	Cost for Pre-School Services
Budget items for period July 1, 2014 through June 30, 2015:							
1000	100		Special Educator to provide instructional services to students as required by their IEPs- salary for Mary Martin	0.50	25,000.00	25,000.00	
1000	200		Benefits for above position		5,320.00	5,320.00	
1000	100		Special Education Paraeducator to provide services as required by students' IEPs - salary for Donna Devine	1.00	17,550.00	17,550.00	
1000	200		Benefits for above position		12,450.00	12,450.00	
1000	100		Para-educators for summer services required by students' IEPs for July and August 2012- salaries for Andy Apple, Betty Brown, and Fran Fishman	0.30	6,500.00	6,500.00	
1000	200		Benefits for above position		500.00	500.00	
1000	600		Instructional materials for math instruction for students as required by their IEPs		1,500.00	1,500.00	
1000	730		Computer for student as required by student's IEP		1,060.00	1,060.00	
2160	300		Occupational Therapy contracted services for special education evaluations and as required by students IEPs		17,500.00	15,000.00	2,500.00
2160	600		Materials for occupational therapy services required by IEPs such as balance balls and mats		500.00	500.00	
2150	100		Speech Language Pathologist to provide speech services required by IEPs and for special education evaluations- salary for Jane Johnson	0.40	15,000.00	10,000.00	5,000.00
2150	100		Speech Language Pathologist to provide speech services required by IEPs and for special education evaluations- salary for Linda Lawrence	1.00	46,250.00	46,250.00	
2150	200		Benefits for above SLP positions		25,800.00	24,300.00	1,500.00
2190	300		Assistive Technology Consultant to advise on equipment options for two special education students with motor skills issues		1,000.00	500.00	500.00
2200	300		Consultant for In-service Training for special education staff regarding specialized math instruction techniques to improve special education instruction		2,500.00	2,500.00	

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2420	100		Supervision and coordination of supervisory union's special education program-salary for John Jones, Special Education Director	0.40	30,000.00	28,000.00	2,000.00
2420	100		Salary for Administrative Assistant, Kathy King, for special education administrative paperwork	0.50	18,000.00	16,200.00	1,800.00
2420	200		Benefits for above sped administration positions		14,000.00	12,400.00	1,600.00
1000	300	PPS	Contracted special education instructions for parentally placed students in accordance with their service plans		1,590.00	1,590.00	
2140	100	CEIS	Coordinated early intervening services - School Psychologist to provide behavior interventions for students who need additional support in general education programs - salary, Susan Simon	.41	32,000.00	32,000.00	
2140	200	CEIS	Benefits for early intervening services position		3,800.00	3,800.00	
TOTAL DIRECT COSTS					272,820.00	257,920.00	14,900.00
Indirect Costs based on approved indirect cost rate times allowable direct cost				2.00%	5,456.40		
			BUDGET TOTAL		278,276.40		

Local Education Agency Plan						SU:	88
IDEA-B BASIC FINANCIAL SUMMARY FY-2015							
FUNCTION CODES		OBJECT CODES					
CODE	DESCRIPTION	SALARIES 100	BENEFITS 200	SUPPLIES & MATERIALS 600	EQUIPMENT 700	OTHERS 300/400/500/800 /900	TOTAL
Regular Grant Funds excluding Proportionate Share Funds					4226-S0	88	15-01
1000	Direct Instruction - Special Education	\$ 44,050.00	\$ 18,270.00	\$ 1,500.00	\$ 1,060.00		\$ 64,880.00
2130	Health Services						\$ -
2140	Psychological Services						\$ -
2150	Speech Pathology & Audiology	\$ 61,250.00	\$ 25,800.00				\$ 87,050.00
2160	Occupational Therapy			\$ 500.00		\$ 17,500.00	\$ 18,000.00
2190	Other Student Support Services					\$ 1,000.00	\$ 1,000.00
21XX	Student Support Services not above						\$ -
2200	Improvement of Instructional Services					\$ 2,500.00	\$ 2,500.00
2400	Support Services - School Administration	\$ 48,000.00	\$ 14,000.00				\$ 62,000.00
2700	Student Transportation Services						\$ -
2140	Coordinated Early Intervening Services	\$ 32,000.00	\$ 3,800.00				\$ 35,800.00
							\$ -
	TOTAL DIRECT COSTS	\$ 185,300.00	\$ 61,870.00	\$ 2,000.00	\$ 1,060.00	\$ 21,000.00	\$ 271,230.00
					Indirect Costs		\$ 5,424.60
					Grant Total		\$ 276,654.60
Proportionate Share Funds from Regular Grant Funds					4226-S0	88	15-02
1000	Direct Instruction - Special Education					\$ 1,590.00	\$ 1,590.00
						\$ -	\$ -
	TOTAL DIRECT COSTS	\$ -	\$ -	\$ -	\$ -	\$ 1,590.00	\$ 1,590.00
					Indirect Costs		\$ 31.80
					Grant Total		\$ 1,621.80
					Total Direct Costs		\$ 272,820.00
					Total Indirect Costs		\$ 5,456.40
					FY-2014 IDEA-B 4226 Total		\$ 278,276.40